



## **Bureau of Insurance Statement Regarding Maine Community Health Options**

**May 11, 2017**

Consistent with the Bureau of Insurance's ("BOI") practice, this statement concerns Community Health Options' ("CHO") results for March. CHO delivered its proposed 2017 Business Plan to the BOI in early March. The BOI's independent consulting actuary has reviewed the Plan and, after agreeing to certain adjustments, advised that it is reasonable. The revised plan reflects actual results for January and February and projections for the rest of the year. This statement accordingly compares CHO's March results to that Plan.

What follows are the key results for March:

- Paid claims were 7.8% higher in March than Plan. Incurred claims for March were 4.4% lower than Plan. The number of open claims at the end of March was 25.4% lower than at the end of February. The Average Daily Dollar Amount in the Claim Inventory at the end of March was 27.9% lower than at the end of February.
- The percentage of Net Outstanding Claims Inventory (which is the total pending Submitted Amount at March 31, 2017) in the 0-30 day period (103.5%) was higher in March than February (90.5%). The 0-60 day period inventory (105.7%) was higher than February (102.2%). (Some of these numbers are greater than 100% because the 91+ day category was a negative amount reflecting credits due CHO.) The BOI is monitoring the aging of the claim inventory on a weekly basis and can report that as of the end of April the percentage of the total Net Outstanding Claim Inventory in the 0-30 day period was 110.9% and for the 0-60 period 113.9%.
- Membership at the end of March was 0.8% lower than Plan. The membership breakdown was 76.1% individual, 22.0% small group and 1.9% large group. Net premium income in March was 0.2% higher than the Plan. It is expected that CHO's membership will continue to decrease somewhat throughout 2017.
- Total expenses in March were 3.6% higher than Plan for the month.
- The \$168,768 of net income reported for March was 127% better than Plan. CHO's reported YTD net income was \$3.7 million.
- CHO's reported bonds, cash, cash equivalents, and short term investments in March were 6.8% lower than Plan and 6.6% lower than in February.

The BOI will continue to closely monitor CHO's performance and post monthly statements about its results. CHO's first quarter financial statement is expected to be filed next week and will then be posted to the BOI's website.